

# Calendar No. 1943

82D CONGRESS }  
2d Session }

SENATE

{ REPORT  
{ No. 2020

## GALLAGHER'S WAREHOUSES, INC.

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JULY 1 (legislative day, JUNE 27), 1952.—Ordered to be printed

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Mr. McCARRAN, from the Committee on the Judiciary, submitted the following

### REPORT

[To accompany H. R. 5006]

The Committee on the Judiciary, to which was referred the bill (H. R. 5006), for the relief of Gallagher's Warehouses, Inc., having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

#### PURPOSE

The purpose of the proposed legislation is to pay the sum of \$4,411.56 to Gallagher's Warehouses, Inc., of Philadelphia, Pa., in full settlement of all claims against the United States, which sum represents the value of storage space occupied by certain imported merchandise which was voluntarily abandoned to the Government by the consignee under the provisions of section 563 (b), Tariff Act of 1930, as amended, and which was subsequently stored by the said corporation in its bonded warehouse at Philadelphia, for account of the Government, pending its disposition by the Government.

#### STATEMENT

From the collector's report and other correspondence in the files of the Bureau of Customs, it appears that H. R. 5006 relates to four lots of Portuguese brandy in bottles (fifths), packed 12 bottles to the case, imported on May 30 and June 5, 1944, consigned to the Imported Liquors Co., and that, as entry thereof was not made within the time required by law and regulation, they were treated by the collector as unclaimed and sent by him to the customs bonded warehouse of Gallagher's Warehouses, Inc., for storage at the risk and expense of

the importer until proper entry was made. Subsequently, the four lots were entered by the importer for warehousing under Philadelphia warehouse entries Nos. 2695, 2696, 2774, and 2776 of May 1945, and were permitted to remain thereafter in the said warehouse.

It further appears that two extensions of the statutory 3-year warehousing period for 1 year each were granted by the collector under the provisions of Treasury Decision 50967, as amended; that within the period of the second extension in the case of each lot, the importer filed an application to voluntarily abandon the lot to the Government under the provisions of section 563 (b), Tariff Act of 1930, as amended, in order to be relieved of its liability for the duties and internal-revenue taxes thereon; that these applications were concurred in by the warehouse proprietor, as required by the regulations; and that the applications were accepted by the collector on May 2, 1949.

It is deemed advisable to state here that it is considered that on voluntary abandonment such as is provided for in section 563 (b), *supra*, as amended, title to the merchandise concerned vests absolutely in the Government, and rulings have been made by the Bureau of Customs to that effect. It may be stated also that the customs regulations provide in substance that, if such merchandise is sold, no part of the proceeds shall be returned to the importer.

Prior to acceptance by the collector of the abandonments by Imported Liquors Co. under its warehouses entries, each abandonment was concurred in by the warehouse proprietor. After abandonment under section 563 (b), Tariff Act of 1930, when all right, title, and interest becomes vested in the Government, none of the goods were removed from the customs bonded premises of the warehouse proprietor but they were there retained as the property of the Government under the accepted formal abandonments until disposition was made by the collector of the goods. Subsequently, these four lots, along with others, were sold to the Dundalk Liquor Co. of Baltimore, Md., upon approval of its bid by the Bureau in letter (714.43) dated December 9, 1949, under which sale they were transferred to Baltimore in customs bond on the dates stated; and the certified itemized bill of Gallagher Warehouses, Inc., which is attached to this report, represents the charges for storage incurred on behalf of the collector of customs, Philadelphia, from the dates of abandonment to the dates they were released from the warehouse and taken into custody by the customs bonded common carrier for carriage to Baltimore for fulfillment of the purchase contract by Dundalk Liquor Co.

A service has been performed by this warehouse proprietor for the United States Government for which he has received no compensation, and as the Government will realize substantial revenue through the sale of these four lots to Dundalk Liquor Co., Baltimore, Md., on the basis of its bid of 35 cents per case plus \$9 per proof gallon internal-revenue tax on the brandy when withdrawn from customs bond at Baltimore, greatly in excess of the amount for storage here claimed by the warehouse proprietor, it is the opinion of the committee that this claim should be paid.

GALLAGHER'S WAREHOUSES, INC.,  
Philadelphia, Pa., January 18, 1950.

COLLECTOR OF CUSTOMS,  
Custom House, Philadelphia, Pa.

*Storage charges, Almond Street Warehouses*

Lot No.	Commodity	Quantity (cases)	Amount
55888	Brandy: 9 months charges, May 3, 1949 to Feb. 2, 1950, at 5 cents per case...	3,499	\$1,574.55
	Bond, 2695, 10 percent.....		157.46
55889	Brandy: 9 months charges, May 11, 1949 to Feb. 10, 1950, at 5 cents per case...	1,727	777.15
	Bond, 2696, 10 percent.....		77.71
55813	Brandy: 9 months charges, May 3, 1949 to Feb. 2, 1950, at 5 cents per case...	1,805	812.25
	Bond, 2774, 10 percent.....		81.23
55814	Brandy: 2 months charges, May 3 to July 2, at 5 cents per case.....	1,959	195.90
	Bond, 2776, 10 percent.....		19.59
55814	Brandy: 7 months charges, July 3, 1949 to Feb. 2, 1950, at 5 cents per case...	1,859	650.65
	Bond, 2776, 10 percent.....		65.07
	Total.....		4,411.56

Further details are contained in House Report 1952, Eighty-second Congress, second session, and need not be reprinted here.



